## Local Government Mandate Statement Kentucky Legislative Research Commission 2018 Regular Session

**Part I: Measure Information** 

Bill Request #: 487							
Bill #: SB 205GA							
<b>Document ID #:</b> 7163							
Bill Subject/Title: AN ACT relating to sales and use tax.							
Sponsor: Senator C. McDaniel							
Unit of Government: x City x County x Urban-County Unified Local							
<u>x</u> Charter County <u>x</u> Consolidated Local <u>x</u> Government							
Office(s) Impacted:							
Requirement: Mandatory Optional							
Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing							

## Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

This bill will exempt from sales and use tax tangible personal property purchased by a construction contractor who is under contract with a local government agency to incorporate the tangible personal property into a structure or improvement to real estate.

Under current law, the construction contractor often passes the cost of the tax that he pays on his purchase price of the tangible personal property through to the local government entity as part of the total construction costs. Therefore, this bill may result in savings to the local government entities in the form of lower construction costs. However, the amount of those savings is indeterminable.

## Part III: Differences to Local Government Mandate Statement from Prior Versions

The GA version of the LM statement is the same as the LM statement to the bill as introduced. The bill passed the Senate without any amendments or committee substitutes.

Data Sourc	ce(s):					
Prenarer:	Charlotte T. Quarles	Reviewer:	KHC	Date:	3/16/18	